



**WESTMONT  
ASSOCIATES, INC.**

April 5, 2011

The Honorable Michael T. McRaith  
Director of Insurance  
Illinois Department of Insurance  
320 W. Washington Street  
Springfield, IL 62767-0001

**RECEIVED**  
LAH - FCS

APR 07 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD

RE: **NORCAL Mutual Insurance Company**  
**NAIC#: 33200/ FEIN#: 94-2301054** ✓  
**Physicians and Surgeons Program**  
**New Rate and Rule Submission**  
**Company Filing #: N-0411-IL-R**  
**Effective Date: June 1, 2011**

**FILED**

JAN 01 2012

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

To Whom It May Concern:

Attached you will find NORCAL Mutual Insurance Company's Physicians and Surgeons New Program rate and rule submission for your review and approval. This is a new filing and does not replace any rates or rules currently on file in your state. A letter permitting Westmont Associates, Inc. to submit this filing on the Company's behalf is enclosed.

This is the initial filing for this program in the state of Illinois. Attached please find the rate manual and state exception pages that will be used for this program. Also attached is actuarial information in support of the rating.

Please note that a corresponding forms filing was submitted via SERFF and is pending under SERFF Tracking #: WESA-127113354.

Finally, please note that the Company is requesting an effective date of June 1, 2011 for this filing submission.

Your approval and/or acknowledgement of this submission is respectfully requested. Thank you for your attention to this matter.

Respectfully submitted,

Jennifer Waldron  
Supervisor  
jenb@westmontlaw.com

Enclosures

cc: N. Stepanski  
T. Friers - NORCAL

HO  
MEM  
RVL  
Jeh

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gn

## Neuman, Gayle

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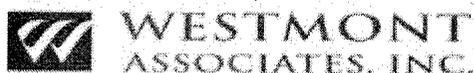
**From:** Jennifer Waldron [JenB@westmontlaw.com]  
**Sent:** Wednesday, December 21, 2011 4:06 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Norcal Mutual Insurance Company - Filing #N-0411-IL-R

Good Afternoon:

Please note that the Table of Contents contained in the rate manual includes references to both the rating rules and exception pages. The rating rules (Part III) includes sections A-Q; however, the exception pages (Part IV) only include references to the sections of the rating rules being modified, which is why not all sections are referenced under Part IV.

Feel free to contact me if you have any additional questions.

Thank You,  
**Jennifer Waldron**  
Westmont Associates, Inc.  
1763 Marlton Pike East  
Suite 200  
Cherry Hill, NJ 08003  
(856) 216-0220  
(856) 216-0303 (Fax)



Celebrating 20 Years of Continued Excellence

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Wednesday, December 21, 2011 2:15 PM  
**To:** Jennifer Waldron  
**Subject:** RE: Norcal Mutual Insurance Company - Filing #N-0411-IL-R

Mr. Waldron,

While changes were made to add schedule rating to the manual, I noticed after section L, there is section N, O, and Q. Please confirm for me that there are no sections labeled as M or P.

Your prompt attention is appreciated.

**Gayle Neuman**  
Illinois Department of Insurance  
(217)524-6497

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**From:** Jennifer Waldron [mailto:JenB@westmontlaw.com]  
**Sent:** Tuesday, December 20, 2011 2:40 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Norcal Mutual Insurance Company - Filing #N-0411-IL-R

Good Afternoon:

The Company would like to request an effective date of January 1, 2012 for this submission. Feel free to contact me if you have any additional questions.

Thank You,

**Jennifer Waldron**

Westmont Associates, Inc.

1763 Marlton Pike East

Suite 200

Cherry Hill, NJ 08003

(856) 216-0220

(856) 216-0303 (Fax)



**WESTMONT**  
ASSOCIATES, INC.

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**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Tuesday, December 20, 2011 2:37 PM  
**To:** Jennifer Waldron  
**Subject:** Norcal Mutual Insurance Company - Filing #N-0411-IL-R

Ms. Waldron,

The Department of Insurance completed its review of the filing referenced above on December 14, 2011. Originally, Norcal Mutual requested the filing be effective June 1, 2011. Was the filing put in effect on June 1, 2011 or do you wish to have a different effective date?

Your prompt response is appreciated.

**Gayle Neuman**

Illinois Department of Insurance

Property & Casualty Compliance

(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: [GAYLE.NEUMAN@ILLINOIS.GOV](mailto:GAYLE.NEUMAN@ILLINOIS.GOV).



# NORCAL

Underwriting & Policyholder Services

Our Passion Protects Your Practice

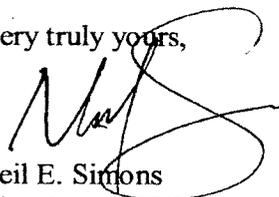
November 2, 2010

NORCAL Mutual Insurance Company  
NAIC: #33200  
FEIN: #94-2301054  
Letter of Authorization  
Filing of Forms, Rates and Rules

Dear Sir or Madame:

In accordance with the applicable statutes and regulations in your state, Nancy Stepanski, Wesley Pohler, Jennifer Waldron and Westmont Associates are hereby authorized to file form, rate and rule filings on behalf of NORCAL Mutual Insurance Company.

Very truly yours,



Neil E. Simons  
Vice President, Underwriting and Policyholder Services

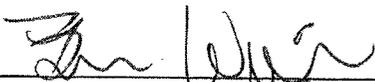


### ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

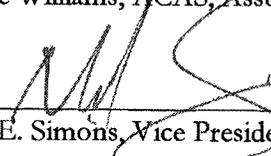
**(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.**

I, Neil Simons, a duly authorized officer of NORCAL Mutual Insurance Company, am authorized to certify on behalf of the Company making this filing that the Company's rates are based on sound actuarial principles and are not inconsistent with the Company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Bruce Williams, a duly authorized actuary of NORCAL Mutual Insurance Company, am authorized to certify on behalf of the Company making this filing that the Company's rates are based on sound actuarial principles and are not inconsistent with the Company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

  
\_\_\_\_\_  
Bruce Williams, ACAS, Associate Vice President Actuarial

9-21-11  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Neil E. Simons, Vice President, Underwriting & Policyholder Services

9-21-11  
\_\_\_\_\_  
Date

Insurance Company FEIN 94-2301054 Filing Number N-0411-IL

Insurer's Address 560 Davis Street, Suite 200

City San Francisco State CA Zip Code 94111-1966

Contact Person's  
-Name and Email bwilliams@norcalmutual.com

-Direct Telephone and Fax Numbers Direct: 415-735-2264; Fax: 415-835-9816

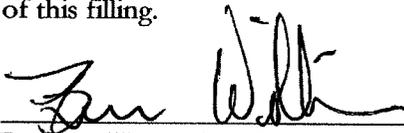
Your Commitment Deserves Nothing Less

## ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Bruce Williams, a duly authorized officer of NORCAL Mutual Insurance Company, am authorized to certify on behalf of the Company making this filing that the Company's rates are based on sound actuarial principles and are not inconsistent with the Company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

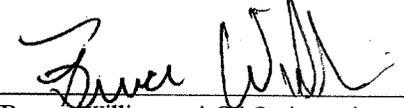
I, Bruce Williams, a duly authorized actuary of NORCAL Mutual Insurance Company, am authorized to certify on behalf of the Company making this filing that the Company's rates are based on sound actuarial principles and are not inconsistent with the Company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.



Bruce Williams, ACAS, Associate Vice President Actuarial

5/18/11

Date



Bruce Williams, ACAS, Associate Vice President Actuarial

5/18/11

Date

Insurance Company FEIN 94-2301054 Filing Number N-0411-ILInsurer's Address 560 Davis Street, Suite 200City San Francisco State CA Zip Code 94111-1966Contact Person's  
-Name and Email bwilliams@norcalmutual.com-Direct Telephone and Fax Numbers Direct: 415-735-2264; Fax: 415-835-9816

## Neuman, Gayle

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**From:** Jennifer Waldron [JenB@westmontlaw.com]  
**Sent:** Friday, May 20, 2011 3:09 PM  
**To:** Neuman, Gayle  
**Subject:** RE: NORCAL Mutual Insurance Company - Rate/Rule Filing #N-0411-IL-R  
**Attachments:** IL DOI Responses 05192011.docx; IL NORCAL ExceptionPages 05172011 - changes.docx; IL NORCAL ExceptionPages 05172011 - Final.docx; IL NORCAL GeneralRulesManual 05172011 - changes.docx; IL NORCAL GeneralRulesManual 05172011 - Final.docx; Williams, Bruce - 05-19-11 - YBD3AVB.PDF

Dear Ms Neuman:

Please find attached the Company's reply document and corresponding attachments in response to your 5/12/11 e-mail (below). Feel free to contact me if you have any additional questions or concerns.

Also, can you please provide the status of the forms review? I look forward to hearing from you soon.

Thank You,

**Jennifer Waldron**

Westmont Associates, Inc.

(856) 216-0220

(856) 216-0303 (Fax)



Celebrating 20 Years of Continued Excellence

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**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Thursday, May 12, 2011 10:39 AM  
**To:** Jennifer Waldron  
**Subject:** NORCAL Mutual Insurance Company - Rate/Rule Filing #N-0411-IL-R

Ms. Waldron,

The Department is in receipt of the above referenced filing submitted with your cover letter dated April 5, 2011. Please address the following questions/concerns:

1. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice.
2. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
3. The insured has 30 days after the policy is terminated to purchase the extended reporting period coverage. The insurer will inform the insured of the extended reporting period coverage premium at the time the last policy is purchased.
4. Under E. Extended Reporting Period Coverage, paragraph 1. d. states premium can be waived for permanent disability "subject to NORCAL's rules and regulations". Where is this information provided?

5. In regard to H. Individual Rating of Sizable Risks, does the \$100,000 apply before any schedule rating or other reductions? If a corporation has 100 members, it seems it would be quite easy for them to reach the \$100,000 threshold wherein a corporation of 10 members may not. This could be viewed as a group discount without having to disclose the amount of the discount in the manual.
6. For O. Suspension of Coverage – Leave of Absence and P. Suspension of Coverage – Military Leave, are there no discounts for the period of time where no coverage is provided?
7. For Q. Voluntary Deductible Discount, the manual should include the available deductibles and discounts.
8. On the State Exception Pages, the references to previous manual sections should all indicate if information is replacing or being added to the General Underwriting Manual.
9. Under G. Premium Payments, what are the additional fees referenced? Do you charge interest or installment fees? If so, such information should be disclosed in the manual.
10. Please provide the territory factors. Additionally, please confirm no other liability limits are offered or available.
11. Because the manual indicates the policy may be written for any period up to and including 12 months, please confirm on the State Exception Pages that the premiums are listed for a certain period of coverage (time).

I request receipt of your response by May 25, 2011. If you have any questions, feel free to contact me.

**Gayle Neuman**

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

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1. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice.

NORCAL Response: Attached is the required certification.

2. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

NORCAL Response: Yes, ISO is used for reporting purposes.

3. The insured has 30 days after the policy is terminated to purchase the extended reporting period coverage. The insurer will inform the insured of the extended reporting period coverage premium at the time the last policy is purchased.

NORCAL Response: Upon policy termination NORCAL issues an extended reporting period offer to the insured (s), which includes the premium for such offer and due date.

4. Under E. Extended Reporting Period Coverage, paragraph 1. d. states premium can be waived for permanent disability "subject to NORCAL's rules and regulations". Where is this information provided?

NORCAL Response: The rules are contained within NORCAL's Underwriting Department Guidelines. The guidelines are as follows:

The waiver is contingent upon NORCAL's receipt and approval of all of the following:

- Disability form signed by the physician
- A letter from the Insured's attending physician providing details of the disability (for example, date of disability, extent of disability, likelihood of recovery). The attending physician's specialty should match the condition being treated, and the letter must contain unequivocal language stating the physician is unable to continue practicing as a physician or surgeon
- If an office-based physician, a copy of the letter the physician has sent/will be sending to his or her patients advising them of the closing of his or her practice
- Any other information deemed necessary to confirm the physician is totally and permanently disabled

5. In regard to H. Individual Rating of Sizable Risks, does the \$100,000 apply before any schedule rating or other reductions? If a corporation has 100 members, it seems it would be quite easy for them to reach the \$100,000 threshold wherein a corporation of 10 members may not. This could be viewed as a group discount without having to disclose the amount of the discount in the manual.

NORCAL Response: The State Exception Pages have been amended to reflect that the General Underwriting Rule H. Individual Rating of Sizable Risks has been deleted. The Revised State Exception Pages are attached.

**6. For O. Suspension of Coverage – Leave of Absence and P. Suspension of Coverage – Military Leave, are there no discounts for the period of time where no coverage is provided?**

NORCAL Response: A Suspension of Coverage (Rules O & P) results in the application of a premium credit of 100% commencing with the start date of the suspension period.

Under Rule O the application of the 100% credit is blended with the insured's policy premium prior to the suspension to arrive at a residual or reduced rate, which is assessed during the suspension of coverage. During the suspension period, the insured may report medical incidents or occurrences that took place while coverage was active.

Under Rule P, there is no residual or reduced rate assessed during the suspension of coverage. During the suspension period, the insured may report medical incidents or occurrences that took place while coverage was active.

**7. For Q. Voluntary Deductible Discount, the manual should include the available deductibles and discounts.**

NORCAL Response: The State Exception pages have been amended to include the available deductibles and discounts. See attached.

**8. On the State Exception Pages, the references to previous manual sections should all indicate if information is replacing or being added to the General Underwriting Manual.**

NORCAL Response: The State Exception Pages have been revised to clarify what is being added/deleted/replaced with respect to the General Underwriting Manual Rule. See attached.

**9. Under G. Premium Payments, what are the additional fees referenced? Do you charge interest or installment fees? If so, such information should be disclosed in the manual.**

NORCAL Response: NORCAL does not assess any fees in addition to the premium for the quarterly or annual payment plans. The intent of State Exception Rule G is to clarify that an insured can pay the annual or remaining policy premium in full at no additional charge.

**10. Please provide the territory factors. Additionally, please confirm no other liability limits are offered or available.**

NORCAL Response: Part II. General F.Limits of Liability (page 8) states that policy limits may be written at \$1 million /\$3 million limits. These are the only limits that NORCAL will offer. At such time, NORCAL wishes to offer additional limits, we will make the appropriate filing to the Illinois Department of Insurance.

The territory factors used in establishing the rates shown on pages 13 & 14 of the State Exception Pages are:

Territory	Factor
1	2.000
2	1.800
3	1.700
4	1.500
5	1.400
6	1.200
7	0.900
8	1.100
9	0.900
10	1.000

11. Because the manual indicates the policy may be written for any period up to and including 12 months, please confirm on the State Exception Pages that the premiums are listed for a certain period of coverage (time).

NORCAL Response: The State Exception Pages have been revised to clarify under Part III. Rating Rules, L.Rates that the rates shown are for an annualized policy period of 12 months. These pages have also been corrected to delete the references to Health Care Extender Relativities, since we have filed specific Health Care Extender Rates as shown on Page 14.

## Part IV: State Exception Pages

### Illinois –

#### Part II. General

##### F. Limits of Liability

The General Underwriting Rule F is amended to include the following:

Policies may be written at the basic limits of \$1 million/\$3 million.

##### G. Premium Payments

The General Underwriting Rule G is replaced with the following:

NORCAL offers the insured an installment premium payment option. The installment plan requires a minimum of 25% of the total premium to be paid on or before the inception/renewal date of the policy. The balance of the premium will be payable in periodic installments equal to 25% of the balance of the premium commensurate with calendar quarters.

Additional premium resulting from changes to the policy during the policy period will be spread over any remaining installments. If there are no remaining installments, then any additional premium will be billed immediately as a separate transaction.

Insureds also have the option of paying the policy premium in full at any time without incurring additional fees.

#### Part III. Rating Rules

##### A. Calculation of Premium

The General Underwriting Rule A is replaced with the following:

###### 1. Claims – Made Premium Calculation

- a. Calculations for changes in exposure are performed by taking the difference between claims-made rates for each period of differing exposures. These calculations are appropriate for changes such as to rating class or territory that impact the calculated rate. Current approved rates and rules are used.
- b. Applicable discount or surcharge factors are applied.
- c. Premium calculations are subject to the Company's policy writing minimum premium of \$1,000.

**2. Claims – Made Factors**

<u>Year</u>	<u>Factor</u>
Current	0.250
1 <sup>st</sup> Prior	0.500
2 <sup>nd</sup> Prior	0.800
3 <sup>rd</sup> Prior	0.920
4 <sup>th</sup> Prior	1.000

**3. Reporting Endorsement Premium Calculation**

Reporting Endorsement Premium calculations are in accordance with the rates and rules in effect at the time of the Reporting Endorsement is issued as follows:

- a. The reporting endorsement premium will be calculated using the expiring annual premium.
- b. For policies terminated during the first claims-made year, the reporting endorsement premium will be calculated using the pro-rated annual premium.
- c. All discounts and debits applied to the policy at termination will be included in the reporting endorsement calculations. Part-time discounts that have not been applied on a continuous basis from policy inception and have been in effect 36 months or less at the time of termination will be excluded in the reporting endorsement premium calculation.

**4. Reporting Endorsement Factors**

<u>Year</u>	<u>Factor</u>
1	440%
2	360%
3	269%
4	250%
5 and subsequent	230%

**C. Classification**

The General Underwriting Rule C is amended to include the following:

1. **Definitions.** For classification assignment purposes, the following definitions apply:

Major Surgery. The term "major surgery" applies to family or general practitioners and other specialists who perform major surgical procedures. T & A's, Cesarean sections, abortions, heart catheterizations, obstetrical deliveries, vasectomies on other than the physician's own patients and other procedures determined by the Company shall be considered major surgery.

Minor Surgery. The term "minor surgery" applies to family or general practitioners and other specialists who perform minor surgery or who perform extra-hazardous medical techniques as determined by the Company.

No Surgery. The term "no surgery" applies to family or general practitioners and other specialists who do not perform obstetrical procedures or surgery (other than incision of boils and superficial abscesses or suturing of skin and superficial fascia), who do not assist other physicians during the performance of surgical procedures and who do not perform any of the procedures determined to be extra-hazardous by the Company.

## 2. Medical Specialty Codes/Classification

### Physicians and Surgeons

Specialty Description	Class
Administrative Medicine / Aerospace Medicine	1
Allergy/Immunology	1
Anesthesiology	4
Anesthesiology (Interventional Pain Management)	7
Cardiac Surgery	13
Cardiology (Interventional)	6
Cardiology (Invasive)	6
Cardiology (Non-Invasive)	3
Colon and Rectal Surgery	9
Critical Care Medicine	6
Dermatology (Major Surgery)	9
Dermatology (Minor Surgery)	4
Dermatology (No Surgery)	2
Dermatopathology	4
Emergency Medicine	9
Endocrinology (Minor Surgery)	5
Endocrinology (No Surgery)	5
Endocrinology (Reproductive)	12
Family Medicine (Including Obstetrics and C-sections)	9
Family Medicine (Including Obstetrics/No C-sections)	9
Family Medicine (Major Surgery)	8
Family Medicine (Minor Surgery)	5
Family Medicine (No Surgery)	3
Gastroenterology (Invasive)	5
Gastroenterology (Non-Invasive)	5
General Medicine (Minor Surgery)	5
General Medicine (No Surgery)	3
General Practice (Including Obstetrics and C-sections)	9
General Practice (Including Obstetrics/No C-sections)	9
General Practice (Major Surgery)	8
General Practice (Minor Surgery)	5
General Practice (No Surgery)	3
General Preventive Medicine	2
General Surgery	11
General Surgery (Including Bariatric Surgery)	15
Gynecology (Major / Including Cosmetic Surgery)	10
Gynecology (Major Surgery)	10
Gynecology (Minor Surgery)	5

Gynecology (No Surgery)	4
Hand Surgery	9
Hematology (Minor Surgery)	5
Hematology (No Surgery)	5
Hospitalist	3
Hyperbaric Medicine	3
Infectious Diseases	6
Infertility Specialist	16
Internal Medicine (Invasive)	6
Internal Medicine (Non-Invasive)	3
Maternal Fetal Medicine	16
Medical Genetics (Non-Invasive)	2
Medical Oncology (Minor Surgery)	4
Medical Oncology (No Surgery)	3
Neonatology	6
Nephrology (Invasive)	6
Nephrology (Non-Invasive)	5
Neurology (Interventional)	6
Neurology (Non-Interventional)	6
Neuromusculoskeletal Medicine/Osteopathic Manipulative Medicine	1
Neurosurgery	17
Nuclear Medicine	2
Obstetrics and Gynecology	15
Occupational Medicine	2
Ophthalmology (Major Surgery)	4
Ophthalmology (Minor Surgery)	3
Ophthalmology (No Surgery)	2
Oral and Maxillofacial Surgery	5
Orthopedic Surgery (Including Spinal Surgery)	12
Orthopedic Surgery (No Spinal Surgery)	11
Otolaryngology (Including Cosmetic Surgery)	9
Otolaryngology (No Cosmetic Surgery)	6
Pain Management (Interventional)	9
Pathology (Minor Surgery)	4
Pathology (No Surgery)	3
Pediatrics (Developmental-Behavioral)	3
Pediatrics (Minor Surgery)	4
Pediatrics (No Surgery)	3
Perinatology	16
Physical Medicine and Rehabilitation (Interventional)	5
Physical Medicine and Rehabilitation (Non-Interventional)	1
Plastic Surgery	11
Psychiatry (Including Electroconvulsive Therapy)	4
Psychiatry (No Electroconvulsive Therapy)	3
Pulmonary Disease	6
Radiology (Diagnostic/Interventional)	6
Radiology (General Diagnostic)	6
Radiology (Therapeutic)	6

Rheumatology	3
Sleep Medicine	3
Surgical Assistant	2
Surgical Specialist (Minor Surgery)	5
Surgical Specialist (No Surgery)	3
Thoracic Surgery	12
Urgent Care	4
Urogynecology and Reconstructive Pelvic Surgery	12
Urology	7
Vascular Surgery	12

3. Territory Definitions:

Territory 1:	Cook, Jackson, Madison, Saint Clair, Will
Territory 2:	Vermillion
Territory 3:	Kane, Lake, McHenry, Winnebago
Territory 4:	Kankakee
Territory 5:	Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, Randolph
Territory 6:	Grundy
Territory 7:	Adams, Knox, Peoria
Territory 8:	Sangamon
Territory 9:	Rock Island
Territory 10:	Remainder of State

**E. Extended Reported Period Coverage**

The second paragraph in the General Rules Part III; Rating Rules E. Extended Reporting Period Coverage is deleted.

Section 1.f. under the General Rules Part III; Rating Rules, E. Extended Reporting Period Coverage is deleted.

**F. Group Size Discount**

The General Underwriting Rule F. Group Size Discount is deleted.

**H. Individual Rating of Sizable Risks**

The General Underwriting Rule G. Individual Rating of Sizable Risks is deleted.

**L. Rates**

The General Underwriting Rule L is amended to include the following:

Rates are based on the classifications as listed under Part III.D. Classifications of these state rate pages and based on an annualized coverage period of 12 months.

**1. Physician and Surgeon Rates**

**ANNUAL \$1,000,000/\$3,000,000 CLAIMS-MADE MATURE PREMIUMS**

RATING CLASS	TERRITORY									
	1	2	3	4	5	6	7	8	9	10
001	22,872	20,585	19,441	17,154	16,010	13,723	10,292	12,580	10,292	11,436
002	27,773	24,996	23,607	20,830	19,441	16,664	12,498	15,275	12,498	13,886
003	32,674	29,407	27,773	24,506	22,872	19,604	14,703	17,971	14,703	16,337
004	39,209	35,288	33,328	29,407	27,446	23,525	17,644	21,565	17,644	19,604
005	49,011	44,110	41,659	36,758	34,308	29,407	22,055	26,956	22,055	24,506
006	58,813	52,932	49,991	44,110	41,169	35,288	26,466	32,347	26,466	29,407
007	65,348	58,813	55,546	49,011	45,744	39,209	29,407	35,942	29,407	32,674
008	73,517	66,165	62,489	55,138	51,462	44,110	33,083	40,434	33,083	36,758
009	81,685	73,517	69,432	61,264	57,180	49,011	36,758	44,927	36,758	40,843
010	98,022	88,220	83,319	73,517	68,616	58,813	44,110	53,912	44,110	49,011
011	114,359	102,923	97,205	85,770	80,052	68,616	51,462	62,898	51,462	57,180
012	130,696	117,627	111,092	98,022	91,487	78,418	58,813	71,883	58,813	65,348
013	147,033	132,330	124,978	110,275	102,923	88,220	66,165	80,868	66,165	73,517
014	155,202	139,682	131,922	116,401	108,641	93,121	69,841	85,361	69,841	77,601
015	163,371	147,033	138,865	122,528	114,359	98,022	73,517	89,854	73,517	81,685
016	196,045	176,440	166,638	147,033	137,231	117,627	88,220	107,825	88,220	98,022
017	236,887	213,199	201,354	177,665	165,821	142,132	106,599	130,288	106,599	118,444

**2. Health Care Extender Rate**

**ANNUAL \$1,000,000/\$3,000,000 CLAIMS-MADE MATURE PREMIUMS**

Health Care Extender Specialty	TERRITORY									
	1	2	3	4	5	6	7	8	9	10
Certified Nurse Midwife	49,011	44,110	41,659	36,758	34,308	29,407	22,055	26,956	22,055	24,506
Certified Registered Nurse Anesthetist - Anesthesiologist Supervised	7,842	7,058	6,666	5,881	5,489	4,705	3,529	4,313	3,529	3,921
Certified Registered Nurse Anesthetist - Surgeon Supervised	11,763	10,586	9,998	8,822	8,234	7,058	5,293	6,469	5,293	5,881
Advanced Practical Nurse	6,535	5,881	5,555	4,901	4,574	3,921	2,941	3,594	2,941	3,267
Certified Nurse Practitioner	6,535	5,881	5,555	4,901	4,574	3,921	2,941	3,594	2,941	3,267
Physician Assistant	8,169	7,352	6,943	6,126	5,718	4,901	3,676	4,493	3,676	4,084
Surgeon Assistant	9,802	8,822	8,332	7,352	6,862	5,881	4,411	5,391	4,411	4,901

Shared Limits – A 25% credit is available for Health Care Extenders sharing policy limits with the entity or physician.

**3. Corporations, Partnerships and Associations Rating Rule**

Corporation, Partnership, Limited Liability and Association (entity) liability coverage may be written on a separate limits basis. The premium charge is equivalent to 10% of the premium charges for each individual physician, surgeon and health care extender insured of the entity plus 10% of the premium for each individual non-NORCAL insured physician, surgeon and health care extender insured of the entity which would be applicable if the physician, surgeon or health care extender was insured by NORCAL.

A separate corporation limit is not available for solo physicians or surgeons.

**Q. Voluntary Deductible Discount**

The General Underwriting Rule Q is replaced with the following:

Deductibles are available at the option of the insured. The following table outlines the credit amounts available for various deductible amounts and types.

<b>Deductible Plan</b>			
<b>Deductible Amount</b>		<b>Indemnity Only Credit</b>	<b>Indemnity and Defense Costs Credit</b>
<b>Per Claim</b>	<b>Aggregate</b>		
<b>\$10,000</b>	<b>\$30,000</b>	<b>-2.0%</b>	<b>-5.0%</b>
<b>\$25,000</b>	<b>\$75,000</b>	<b>-5.0%</b>	<b>-11.0%</b>
<b>\$50,000</b>	<b>\$150,000</b>	<b>-8.0%</b>	<b>-17.0%</b>

The deductible credits are applicable to the \$1 million/\$3 million primary limits premium, net of all other applicable credits.

Additional deductible amounts may be available at the insured's request and the applicable credit will be determined using direct mathematical interpolation.

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## Part IV: State Exception Pages

### Illinois –

#### Part II. General

##### F. Limits of Liability

Policies may be written at the basic limits of \$1 million/\$3 million.

##### G. Premium Payments

NORCAL offers the insured an installment premium payment option. The installment plan requires a minimum of 25% of the total premium to be paid on or before the inception/renewal date of the policy. The balance of the premium will be payable in periodic installments equal to 25% of the balance of the premium commensurate with calendar quarters.

Additional premium resulting from changes to the policy during the policy period will be spread over any remaining installments. If there are no remaining installments, then any additional premium will be billed immediately as a separate transaction.

Insureds also have the option of paying the policy premium in full at any time without incurring additional fees.

#### Part III. Rating Rules

##### A. Calculation of Premium

###### 1. Claims – Made Premium Calculation

- a. Calculations for changes in exposure are performed by taking the difference between claims-made rates for each period of differing exposures. These calculations are appropriate for changes such as to rating class or territory that impact the calculated rate. Current approved rates and rules are used.
- b. Applicable discount or surcharge factors are applied.
- c. Premium calculations are subject to the Company's policy writing minimum premium of \$1,000.

###### 2. Claims – Made Factors

<u>Year</u>	<u>Factor</u>
Current	0.250
1 <sup>st</sup> Prior	0.500
2 <sup>nd</sup> Prior	0.800
3 <sup>rd</sup> Prior	0.920
4 <sup>th</sup> Prior	1.000

### 3. Reporting Endorsement Premium Calculation

Reporting Endorsement Premium calculations are in accordance with the rates and rules in effect at the time of the Reporting Endorsement is issued as follows:

- a. The reporting endorsement premium will be calculated using the expiring annual premium.
- b. For policies terminated during the first claims-made year, the reporting endorsement premium will be calculated using the pro-rated annual premium.
- c. All discounts and debits applied to the policy at termination will be included in the reporting endorsement calculations. Part-time discounts that have not been applied on a continuous basis from policy inception and have been in effect 36 months or less at the time of termination will be excluded in the reporting endorsement premium calculation.

### 4. Reporting Endorsement Factors

<u>Year</u>	<u>Factor</u>
1	440%
2	360%
3	269%
4	250%
5 and subsequent	230%

## C. Classification

1. **Definitions.** For classification assignment purposes, the following definitions apply:

Major Surgery. The term "major surgery" applies to family or general practitioners and other specialists who perform major surgical procedures. T & A's, Cesarean sections, abortions, heart catheterizations, obstetrical deliveries, vasectomies on other than the physician's own patients and other procedures determined by the Company shall be considered major surgery.

Minor Surgery. The term "minor surgery" applies to family or general practitioners and other specialists who perform minor surgery or who perform extra-hazardous medical techniques as determined by the Company.

No Surgery. The term "no surgery" applies to family or general practitioners and other specialists who do not perform obstetrical procedures or surgery (other than incision of boils and superficial abscesses or suturing of skin and superficial fascia), who do not assist other physicians during the performance of surgical procedures and who do not perform any of the procedures determined to be extra-hazardous by the Company.

**2. Medical Specialty Codes/Classification**

**Physicians and Surgeons**

<b>Specialty Description</b>	<b>Class</b>
Administrative Medicine / Aerospace Medicine	1
Allergy/Immunology	1
Anesthesiology	4
Anesthesiology (Interventional Pain Management)	7
Cardiac Surgery	13
Cardiology (Interventional)	6
Cardiology (Invasive)	6
Cardiology (Non-Invasive)	3
Colon and Rectal Surgery	9
Critical Care Medicine	6
Dermatology (Major Surgery)	9
Dermatology (Minor Surgery)	4
Dermatology (No Surgery)	2
Dermatopathology	4
Emergency Medicine	9
Endocrinology (Minor Surgery)	5
Endocrinology (No Surgery)	5
Endocrinology (Reproductive)	12
Family Medicine (Including Obstetrics and C-sections)	9
Family Medicine (Including Obstetrics/No C-sections)	9
Family Medicine (Major Surgery)	8
Family Medicine (Minor Surgery)	5
Family Medicine (No Surgery)	3
Gastroenterology (Invasive)	5
Gastroenterology (Non-Invasive)	5
General Medicine (Minor Surgery)	5
General Medicine (No Surgery)	3
General Practice (Including Obstetrics and C-sections)	9
General Practice (Including Obstetrics/No C-sections)	9
General Practice (Major Surgery)	8
General Practice (Minor Surgery)	5
General Practice (No Surgery)	3
General Preventive Medicine	2
General Surgery	11
General Surgery (Including Bariatric Surgery)	15
Gynecology (Major / Including Cosmetic Surgery)	10
Gynecology (Major Surgery)	10
Gynecology (Minor Surgery)	5
Gynecology (No Surgery)	4
Hand Surgery	9
Hematology (Minor Surgery)	5
Hematology (No Surgery)	5
Hospitalist	3

Hyperbaric Medicine	3
Infectious Diseases	6
Infertility Specialist	16
Internal Medicine (Invasive)	6
Internal Medicine (Non-Invasive)	3
Maternal Fetal Medicine	16
Medical Genetics (Non-Invasive)	2
Medical Oncology (Minor Surgery)	4
Medical Oncology (No Surgery)	3
Neonatology	6
Nephrology (Invasive)	6
Nephrology (Non-Invasive)	5
Neurology (Interventional)	6
Neurology (Non-Interventional)	6
Neuromusculoskeletal Medicine/Osteopathic Manipulative Medicine	1
Neurosurgery	17
Nuclear Medicine	2
Obstetrics and Gynecology	15
Occupational Medicine	2
Ophthalmology (Major Surgery)	4
Ophthalmology (Minor Surgery)	3
Ophthalmology (No Surgery)	2
Oral and Maxillofacial Surgery	5
Orthopedic Surgery (Including Spinal Surgery)	12
Orthopedic Surgery (No Spinal Surgery)	11
Otolaryngology (Including Cosmetic Surgery)	9
Otolaryngology (No Cosmetic Surgery)	6
Pain Management (Interventional)	9
Pathology (Minor Surgery)	4
Pathology (No Surgery)	3
Pediatrics (Developmental-Behavioral)	3
Pediatrics (Minor Surgery)	4
Pediatrics (No Surgery)	3
Perinatology	16
Physical Medicine and Rehabilitation (Interventional)	5
Physical Medicine and Rehabilitation (Non-Interventional)	1
Plastic Surgery	11
Psychiatry (Including Electroconvulsive Therapy)	4
Psychiatry (No Electroconvulsive Therapy)	3
Pulmonary Disease	6
Radiology (Diagnostic/Interventional)	6
Radiology (General Diagnostic)	6
Radiology (Therapeutic)	6
Rheumatology	3
Sleep Medicine	3
Surgical Assistant	2
Surgical Specialist (Minor Surgery)	5
Surgical Specialist (No Surgery)	3

Thoracic Surgery	12
Urgent Care	4
Urogynecology and Reconstructive Pelvic Surgery	12
Urology	7
Vascular Surgery	12

3. Territory Definitions:

- Territory 1: Cook, Jackson, Madison, Saint Clair, Will
- Territory 2: Vermillion
- Territory 3: Kane, Lake, McHenry, Winnebago
- Territory 4: Kankakee
- Territory 5: Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, Randolph
- Territory 6: Grundy
- Territory 7: Adams, Knox, Peoria
- Territory 8: Sangamon
- Territory 9: Rock Island
- Territory 10: Remainder of State

**E. Extended Reported Period Coverage**

The second paragraph in the General Rules Part III; Rating Rules E. Extended Reporting Period Coverage is deleted.

Section 1.f. under the General Rules Part III: Rating Rules, E. Extended Reporting Period Coverage is deleted.

**F. Group Size Discount**

The Group Size Discount has been removed.

**L. Rates**

Rates are based on the classifications as listed under Part III.D. Classifications of these state rate pages. Application of the rate is based on individual physician risk characteristics as determined by the Company. The Health Care Extender rate relativities are applied to the Physician and Surgeon Rating Class rate indicated to determine the applicable Health Care Extender Rate.

**1. Physician and Surgeon Rates**

**ANNUAL \$1,000,000/\$3,000,000 CLAIMS-MADE MATURE PREMIUMS**

RATING CLASS	TERRITORY									
	1	2	3	4	5	6	7	8	9	10
001	22,872	20,585	19,441	17,154	16,010	13,723	10,292	12,580	10,292	11,436
002	27,773	24,996	23,607	20,830	19,441	16,664	12,498	15,275	12,498	13,886
003	32,674	29,407	27,773	24,506	22,872	19,604	14,703	17,971	14,703	16,337
004	39,209	35,288	33,328	29,407	27,446	23,525	17,644	21,565	17,644	19,604
005	49,011	44,110	41,659	36,758	34,308	29,407	22,055	26,956	22,055	24,506
006	58,813	52,932	49,991	44,110	41,169	35,288	26,466	32,347	26,466	29,407
007	65,348	58,813	55,546	49,011	45,744	39,209	29,407	35,942	29,407	32,674
008	73,517	66,165	62,489	55,138	51,462	44,110	33,083	40,434	33,083	36,758
009	81,685	73,517	69,432	61,264	57,180	49,011	36,758	44,927	36,758	40,843
010	98,022	88,220	83,319	73,517	68,616	58,813	44,110	53,912	44,110	49,011
011	114,359	102,923	97,205	85,770	80,052	68,616	51,462	62,898	51,462	57,180
012	130,696	117,627	111,092	98,022	91,487	78,418	58,813	71,883	58,813	65,348
013	147,033	132,330	124,978	110,275	102,923	88,220	66,165	80,868	66,165	73,517
014	155,202	139,682	131,922	116,401	108,641	93,121	69,841	85,361	69,841	77,601
015	163,371	147,033	138,865	122,528	114,359	98,022	73,517	89,854	73,517	81,685
016	196,045	176,440	166,638	147,033	137,231	117,627	88,220	107,825	88,220	98,022
017	236,887	213,199	201,354	177,665	165,821	142,132	106,599	130,288	106,599	118,444

**2. Health Care Extender Rate Relativities**

**ANNUAL \$1,000,000/\$3,000,000 CLAIMS-MADE MATURE PREMIUMS**

Health Care Extender Specialty	TERRITORY									
	1	2	3	4	5	6	7	8	9	10
Certified Nurse Midwife	49,011	44,110	41,659	36,758	34,308	29,407	22,055	26,956	22,055	24,506
Certified Registered Nurse Anesthetist - Anesthesiologist Supervised	7,842	7,058	6,666	5,881	5,489	4,705	3,529	4,313	3,529	3,921
Certified Registered Nurse Anesthetist - Surgeon Supervised	11,763	10,586	9,998	8,822	8,234	7,058	5,293	6,469	5,293	5,881
Advanced Practical Nurse	6,535	5,881	5,555	4,901	4,574	3,921	2,941	3,594	2,941	3,267
Certified Nurse Practitioner	6,535	5,881	5,555	4,901	4,574	3,921	2,941	3,594	2,941	3,267
Physician Assistant	8,169	7,352	6,943	6,126	5,718	4,901	3,676	4,493	3,676	4,084
Surgeon Assistant	9,802	8,822	8,332	7,352	6,862	5,881	4,411	5,391	4,411	4,901

Shared Limits – the above relativities provide for individual limits. A 25% credit is available for Health Care Extenders sharing policy limits with the entity or physician.

**3. Corporations, Partnerships and Associations Rating Rule**

Corporation, Partnership, Limited Liability and Association (entity) liability coverage may be written on a separate limits basis. The premium charge is equivalent to 10% of the premium charges for each individual physician, surgeon and health care extender insured of the entity plus 10% of the premium for each individual non-NORCAL insured physician, surgeon and health care extender insured of the entity which would be applicable if the physician, surgeon or health care extender was insured by NORCAL.

A separate corporation limit is not available for solo physicians or surgeons.

## Neuman, Gayle

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**From:** Jennifer Waldron [JenB@westmontlaw.com]  
**Sent:** Friday, September 09, 2011 9:02 AM  
**To:** Neuman, Gayle  
**Subject:** RE: NORCAL Mutual Ins Co - Rate/Rule Filing #N-0411-IL-R  
**Attachments:** Williams, Bruce - 05-19-11 - YBD3AVB.PDF; IL NORCAL ExceptionPages 09072011 - Final.docx; IL NORCAL ExceptionPages 09072011 - changes.docx; IL NORCAL GeneralRulesManual 0972011 - changes.docx; IL NORCAL GeneralRulesManual 0972011 - Final.docx

Good Morning:

This is in response to your 9/1/11 e-mail (below) regarding the above referenced submission.

1. Attached is the requested certification.
2. Please note that the 1% Consent to Settle Premium Discount option is noted on the applications we filed as part of the form filing and is intended for New Jersey Applicants only. This option is not available to Illinois applicants.
3. The attached State Exception Pages have been updated to include an amendment to General Underwriting Rule O. Suspension of Coverage – Leave of Absence, which states that a 100% premium discount is applied during the suspension, commencing with the start date of the suspension period.
4. The reference for Section L. should be Part III. C. The attached State Exception Pages have been amended to reflect the appropriate reference for Section L.

In addition to the items in your e-mail, the Company's review of Item #14 in your 8/30/11 objection letter regarding the forms portion of this program caused the Company to determine that the ERP rating rules should be amended. As such, rule Part III.A.3 & Part III.A.4. have been amended in the attached State Exception Pages to state that an unlimited reporting endorsement will be offered at 200% of the expiring annual premium.

Also attached are revised General Underwriting Manual Pages as the Table of Contents needed to be amended. Please note that we included both clean and red-lined versions of the revised exception pages and rules manual in order to clearly reflect the changes that have been made.

We hope this reply has satisfactorily addressed your concerns. Feel free to contact me if you have any questions or require additional information.

Thank You,  
**Jennifer Waldron**  
Westmont Associates, Inc.  
1763 Marlton Pike East  
Suite 200  
Cherry Hill, NJ 08003  
(856) 216-0220  
(856) 216-0303 (Fax)



**Celebrating 20 Years of Continued Excellence**

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**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Thursday, September 01, 2011 4:46 PM

**To:** Jennifer Waldron

**Subject:** NORCAL Mutual Ins Co - Rate/Rule Filing #N-0411-IL-R

Ms. Waldron,

Here are additional issues/questions I have upon review of your May 20, 2011 response.

1. A certification was requested in my May 12, 2011 letter but not received with your response.
2. In reviewing the form filing, a 1% consent to settle premium discount was included. This information was not included in the rate/rule manual.
3. What is the amount of the discount for the Leave of Absence? This information should be included in the manual.
4. On page 13 of the manual, section L. Rates references Part III D which is a section on Endorsed Part-Time Physician Coverage. I do not understand the connection.

I request receipt of your response by September 9, 2011.

**Gayle Neuman**

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: [GAYLE.NEUMAN@ILLINOIS.GOV](mailto:GAYLE.NEUMAN@ILLINOIS.GOV).



## Part IV: State Exception Pages

### Illinois –

#### Part II. General

##### F. Limits of Liability

The General Underwriting Rule F is amended to include the following:

Policies may be written at the basic limits of \$1 million/\$3 million.

##### G. Premium Payments

The General Underwriting Rule G is replaced with the following:

NORCAL offers the insured an installment premium payment option. The installment plan requires a minimum of 25% of the total premium to be paid on or before the inception/renewal date of the policy. The balance of the premium will be payable in periodic installments equal to 25% of the balance of the premium commensurate with calendar quarters.

Additional premium resulting from changes to the policy during the policy period will be spread over any remaining installments. If there are no remaining installments, then any additional premium will be billed immediately as a separate transaction.

Insureds also have the option of paying the policy premium in full at any time without incurring additional fees.

#### Part III. Rating Rules

##### A. Calculation of Premium

The General Underwriting Rule A is replaced with the following:

###### 1. Claims – Made Premium Calculation

- a. Calculations for changes in exposure are performed by taking the difference between claims-made rates for each period of differing exposures. These calculations are appropriate for changes such as to rating class or territory that impact the calculated rate. Current approved rates and rules are used.
- b. Applicable discount or surcharge factors are applied.
- c. Premium calculations are subject to the Company's policy writing minimum premium of \$1,000.



**2. Claims – Made Factors**

<u>Year</u>	<u>Factor</u>
Current	0.250
1 <sup>st</sup> Prior	0.500
2 <sup>nd</sup> Prior	0.800
3 <sup>rd</sup> Prior	0.920
4 <sup>th</sup> Prior	1.000

**3. Reporting Endorsement Premium Calculation**

Reporting Endorsement Premium calculations are in accordance with the rates and rules in effect at the time of the Reporting Endorsement is issued as follows:

- a. ~~An unlimited reporting endorsement commencing with the termination date of the policy at an additional premium charge will be offered.~~
- b. ~~The reporting endorsement premium will be calculated at 200% of the expiring annual premium.~~
- a. ~~The reporting endorsement premium will be calculated using the expiring annual premium.~~
- b. ~~For policies terminated during the first claims-made year, the reporting endorsement premium will be calculated using the pro-rated annual premium.~~
- c. All discounts and debits applied to the policy at termination will be included in the reporting endorsement calculations. Part-time discounts that have not been applied on a continuous basis from policy inception and have been in effect 36 months or less at the time of termination will be excluded in the reporting endorsement premium calculation.

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**4. Reporting Endorsement Factors**

<u>Year</u>	<u>Factor</u>
1	440%
2	360%
3	269%
4	250%
5 and subsequent	230%

**C. Classification**

The General Underwriting Rule C is amended to include the following:

- 1. **Definitions.** For classification assignment purposes, the following definitions apply:

Major Surgery. The term "major surgery" applies to family or general practitioners and other specialists who perform major surgical procedures, T & A's, Cesarean sections, abortions, heart catheterizations, obstetrical deliveries, vasectomies on other than the physician's own patients and other procedures determined by the Company shall be considered major surgery.



Minor Surgery. The term "minor surgery" applies to family or general practitioners and other specialists who perform minor surgery or who perform extra-hazardous medical techniques as determined by the Company.

No Surgery. The term "no surgery" applies to family or general practitioners and other specialists who do not perform obstetrical procedures or surgery (other than incision of boils and superficial abscesses or suturing of skin and superficial fascia), who do not assist other physicians during the performance of surgical procedures and who do not perform any of the procedures determined to be extra-hazardous by the Company.

**2. Medical Specialty Codes/Classification**

**Physicians and Surgeons**

<b>Specialty Description</b>	<b>Class</b>
Administrative Medicine / Aerospace Medicine	1
Allergy/Immunology	1
Anesthesiology	4
Anesthesiology (Interventional Pain Management)	7
Cardiac Surgery	13
Cardiology (Interventional)	6
Cardiology (Invasive)	6
Cardiology (Non-Invasive)	3
Colon and Rectal Surgery	9
Critical Care Medicine	6
Dermatology (Major Surgery)	9
Dermatology (Minor Surgery)	4
Dermatology (No Surgery)	2
Dermatopathology	4
Emergency Medicine	9
Endocrinology (Minor Surgery)	5
Endocrinology (No Surgery)	5
Endocrinology (Reproductive)	12
Family Medicine (Including Obstetrics and C-sections)	9
Family Medicine (Including Obstetrics/No C-sections)	9
Family Medicine (Major Surgery)	8
Family Medicine (Minor Surgery)	5
Family Medicine (No Surgery)	3
Gastroenterology (Invasive)	5
Gastroenterology (Non-Invasive)	5
General Medicine (Minor Surgery)	5
General Medicine (No Surgery)	3
General Practice (Including Obstetrics and C-sections)	9
General Practice (Including Obstetrics/No C-sections)	9
General Practice (Major Surgery)	8
General Practice (Minor Surgery)	5
General Practice (No Surgery)	3
General Preventive Medicine	2



General Surgery	11
General Surgery (Including Bariatric Surgery)	15
Gynecology (Major / Including Cosmetic Surgery)	10
Gynecology (Major Surgery)	10
Gynecology (Minor Surgery)	5
Gynecology (No Surgery)	4
Hand Surgery	9
Hematology (Minor Surgery)	5
Hematology (No Surgery)	5
Hospitalist	3
Hyperbaric Medicine	3
Infectious Diseases	6
Infertility Specialist	16
Internal Medicine (Invasive)	6
Internal Medicine (Non-Invasive)	3
Maternal Fetal Medicine	16
Medical Genetics (Non-Invasive)	2
Medical Oncology (Minor Surgery)	4
Medical Oncology (No Surgery)	3
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Pulmonary Disease	6
Radiology (Diagnostic/Interventional)	6
Radiology (General Diagnostic)	6
Radiology (Therapeutic)	6
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Sleep Medicine	3
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Surgical Specialist (No Surgery)	3
Thoracic Surgery	12
Urgent Care	4
Urogynecology and Reconstructive Pelvic Surgery	12
Urology	7
Vascular Surgery	12

3. Territory Definitions:

- Territory 1: Cook, Jackson, Madison, Saint Clair, Will
- Territory 2: Vermillion
- Territory 3: Kane, Lake, McHenry, Winnebago
- Territory 4: Kankakee
- Territory 5: Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, Randolph
- Territory 6: Grundy
- Territory 7: Adams, Knox, Peoria
- Territory 8: Sangamon
- Territory 9: Rock Island
- Territory 10: Remainder of State

**E. Extended Reported Period Coverage**

The second paragraph in the General Rules Part III; Rating Rules E. Extended Reporting Period Coverage is deleted.

Section 1.f. under the General Rules Part III; Rating Rules, E. Extended Reporting Period Coverage is deleted.

**F. Group Size Discount**

The General Underwriting Rule F. Group Size Discount is deleted.

**H. Individual Rating of Sizable Risks**

The General Underwriting Rule ~~GH~~. Individual Rating of Sizable Risks is deleted.



**L. Rates**

The General Underwriting Rule L is amended to include the following:

Rates are based on the classifications as listed under Part III, DC. Classifications of these state rate pages are based on an annualized coverage period of 12 months.

**1. Physician and Surgeon Rates**

**ANNUAL \$1,000,000/\$3,000,000 CLAIMS-MADE MATURE PREMIUMS**

RATING CLASS	TERRITORY									
	1	2	3	4	5	6	7	8	9	10
001	22,872	20,585	19,441	17,154	16,010	13,723	10,292	12,580	10,292	11,436
002	27,773	24,996	23,607	20,830	19,441	16,664	12,498	15,275	12,498	13,886
003	32,674	29,407	27,773	24,506	22,872	19,604	14,703	17,971	14,703	16,337
004	39,209	35,288	33,328	29,407	27,446	23,525	17,644	21,565	17,644	19,604
005	49,011	44,110	41,659	36,758	34,308	29,407	22,055	26,956	22,055	24,506
006	58,813	52,932	49,991	44,110	41,169	35,288	26,466	32,347	26,466	29,407
007	65,348	58,813	55,546	49,011	45,744	39,209	29,407	35,942	29,407	32,674
008	73,517	66,165	62,489	55,138	51,462	44,110	33,083	40,434	33,083	36,758
009	81,685	73,517	69,432	61,264	57,180	49,011	36,758	44,927	36,758	40,843
010	98,022	88,220	83,319	73,517	68,616	58,813	44,110	53,912	44,110	49,011
011	114,359	102,923	97,205	85,770	80,052	68,616	51,462	62,898	51,462	57,180
012	130,696	117,627	111,092	98,022	91,487	78,418	58,813	71,883	58,813	65,348
013	147,033	132,330	124,978	110,275	102,923	88,220	66,165	80,868	66,165	73,517
014	155,202	139,682	131,922	116,401	108,641	93,121	69,841	85,361	69,841	77,601
015	163,371	147,033	138,865	122,528	114,359	98,022	73,517	89,854	73,517	81,685
016	196,045	176,440	166,638	147,033	137,231	117,627	88,220	107,825	88,220	98,022
017	236,887	213,199	201,354	177,665	165,821	142,132	106,599	130,288	106,599	118,444



**2. Health Care Extender Rate**

**ANNUAL \$1,000,000/\$3,000,000 CLAIMS-MADE MATURE PREMIUMS**

Health Care Extender Specialty	TERRITORY									
	1	2	3	4	5	6	7	8	9	10
Certified Nurse Midwife	49,011	44,110	41,659	36,758	34,308	29,407	22,055	26,956	22,055	24,506
Certified Registered Nurse Anesthetist - Anesthesiologist Supervised	7,842	7,058	6,666	5,881	5,489	4,705	3,529	4,313	3,529	3,921
Certified Registered Nurse Anesthetist - Surgeon Supervised	11,763	10,586	9,998	8,822	8,234	7,058	5,293	6,469	5,293	5,881
Advanced Practical Nurse	6,535	5,881	5,555	4,901	4,574	3,921	2,941	3,594	2,941	3,267
Certified Nurse Practitioner	6,535	5,881	5,555	4,901	4,574	3,921	2,941	3,594	2,941	3,267
Physician Assistant	8,169	7,352	6,943	6,126	5,718	4,901	3,676	4,493	3,676	4,084
Surgeon Assistant	9,802	8,822	8,332	7,352	6,862	5,881	4,411	5,391	4,411	4,901

Shared Limits – A 25% credit is available for Health Care Extenders sharing policy limits with the entity or physician.

**3. Corporations, Partnerships and Associations Rating Rule**

Corporation, Partnership, Limited Liability and Association (entity) liability coverage may be written on a separate limits basis. The premium charge is equivalent to 10% of the premium charges for each individual physician, surgeon and health care extender insured of the entity plus 10% of the premium for each individual non-NORCAL insured physician, surgeon and health care extender insured of the entity which would be applicable if the physician, surgeon or health care extender was insured by NORCAL.

A separate corporation limit is not available for solo physicians or surgeons.



**O. Suspension of Coverage – Leave of Absence**

The General Underwriting Rule O is amended to include the following:

A premium of discount of 100% is applied during the suspension of coverage commencing with the start date of the suspension period.

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**Q. Voluntary Deductible Discount**

The General Underwriting Rule Q is replaced with the following:

Deductibles are available at the option of the insured. The following table outlines the credit amounts available for various deductible amounts and types.

Deductible Plan			
Deductible Amount		Indemnity Only Credit	Indemnity and Defense Costs Credit
Per Claim	Aggregate		
\$10,000	\$30,000	-2.0%	-5.0%
\$25,000	\$75,000	-5.0%	-11.0%
\$50,000	\$150,000	-8.0%	-17.0%

The deductible credits are applicable to the \$1 million/\$3 million primary limits premium, net of all other applicable credits.

Additional deductible amounts may be available at the insured's request and the applicable credit will be determined using direct mathematical interpolation.

# **General Underwriting Manual**

## **Physicians' and Surgeons' Professional Liability Insurance Program**

### **June 1, 2011**

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JAN 01 2012

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

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## Part I: Introduction

This manual specifies the rules, rates, classifications and territories governing the pricing of NORCAL's Professional Liability Insurance Program.

These rules apply to all sections of this manual. Any exceptions are contained in the respective state exception pages.

## Part II: General

### A. Eligibility

1. *Entities* – Legal entities such as a Corporation or Partnership are eligible for coverage under this program.
2. *Physicians* – Physicians shall be eligible for coverage if (s)he has a license to practice medicine in the state in which a NORCAL policy will be issued, or if (s)he is in an approved residency program.
3. *Health care Extenders* – Employed or supervised Health care Extenders of an insured, or insured Medical Group, are eligible for coverage under the policy.
4. *Locum Tenens* – Coverage for a health care professional substituting for an insured health care professional will be limited to professional health care services rendered on behalf of the insured for the specified time period only. The locum tenens will share in the insured health care professional's or the Named Insured's limits of liability. There is no premium charge for this coverage.

### B. Policy Period

Policies may be written for any period up to and including 12 months. NORCAL may extend the policy period beyond a policy's expiration date for an additional premium. Short-term coverage refers to any policy written for a period less than one year.

### C. Premium

A policy's premium is computed in accordance with the rules and rates in effect at a policy's effective date. Changes during the policy period that impact the premium will be prorated. All premium amounts are rounded to the nearest dollar. If the amount involves less than \$.50, the premium will be rounded down to the nearest dollar. If the amount involves \$.50 or more, the premium will be rounded up to the nearest dollar.

### D. Cancellations and Nonrenewals

All cancellations and nonrenewals will be in accordance with state law and Insurance Department regulations.

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**E. Coverage**

Coverage is described in the respective Insuring Agreements of the policy issued on behalf of an insured. Coverage is issued on a claims-made basis unless otherwise noted under Part IV. State Exception Pages.

**F. Limits of Liability**

The limits of liability available are shown under Part IV. State Exception Pages of this manual and may be issued on a separate basis for each insured or on a shared basis between insureds. The sharing of limits will not increase the limits of liability available under the policy. In addition, the inclusion of more than one partner or shareholder will not increase the limits of liability for the entity.

**G. Premium Payments**

NORCAL may, at its sole option, offer the Named Insured premium payment options.

**Part III: Rating Rules**

**A. Calculation of Premium**

The premium shall be determined on the basis of units of exposure existing, the rates in effect at the inception of the policy year and the policyholder's practice history.

The Company's policy writing minimum premium is \$1,000.

**B. Cancellations**

Return premium will be calculated pro-rata when the insured or Company cancels the policy. Rules and rates in effect as of policy inception will apply. All premium amounts will be rounded to nearest dollar.

Earned premium shall not be less than the Company's policy writing minimum premium of \$1,000.

**C. Classification**

Insureds are subject to classifications defined in Part IV. State Exception Pages of this manual.

**D. Endorsed Part-Time Physician Coverage**

Coverage for Endorsed Part-Time Physicians is available for physicians who extend the practice of the Named Insured, either on a temporary or regular basis. The Endorsed Part-Time Physician will share in the named insured's limits of liability.

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The premium is calculated as follows:

1. Determine mature rate of physician's medical specialty, limits, and territory; multiplied by
2. Full Time Equivalent basis (the hours worked each month is divided by 180 per month to determine the full time equivalent for rating purposes) – subject to a minimum discount of 25% and a maximum discount of 75%; multiplied by
3. A 25% shared limit discount will be applied for Endorsed Part-Time Physicians sharing policy limits with the Named Insured.

#### **E. Extended Reporting Period Coverage**

Extended Reporting Period Endorsement Coverage extends the time to report a claim, administrative proceeding, or employment-related civil action. It may be available in the event of cancellation or nonrenewal of a policy or the coverage of an insured physician or health care extender with separate limits, when the Named Insured or NORCAL cancels or nonrenews the policy or coverage. If this endorsement is not issued, there will be no coverage for any claims resulting from medical incidents or occurrences, or administrative proceedings or employment-related civil actions that are first reported to NORCAL on or after the termination date of the policy or coverage.

An insured will not have the right to purchase nor is NORCAL required to offer an Extended Reporting Period Endorsement if the policy or coverage is rescinded, or is canceled or nonrenewed for nonpayment of premium or deductible, fraud, misrepresentation, concealment, or breach of warranty.

The premium for an Extended Reporting Period Endorsement represents the residual premium (cumulative difference) between the full occurrence charges for all subject years and the premium actually collected as of the date of cancellation.

The Extended Reporting Period Endorsement will be issued upon payment of the premiums and extends coverage through perpetuity.

##### 1. Physicians & Surgeons with Separate Limits

- a. Extended Reporting Period Endorsement premiums must be paid promptly when due.
- b. The limits of liability will be reinstated one time at the effective date of the Extended Reporting Period Endorsement. The reinstated limits of liability will be equal to those afforded at the termination date of the policy.
- c. If the physician should die within the policy period, an Extended Reporting Period Endorsement will be issued without charge to be effective through perpetuity.
- d. A full waiver of Extended Reporting Period Endorsement premium will be issued for permanent disability subject to NORCAL's rules and regulations.
- e. The premium for the Extended Reporting Period Endorsement shall be waived in the event that an insured physician or surgeon retires completely from the practice of medicine upon reaching the age of fifty-five (55) and has been

insured continuously under a NORCAL policy for sixty (60) months immediately prior to the date of retirement.

- f. The company shall have sole discretion to waive the premium for the Extended Reporting Period Endorsement in situations other than those stated in this rule.

2. Entities with Separate Limits

- a. Extended Reporting Period Endorsement premiums must be paid promptly when due.
- b. The entity is provided its own set of limits that are reinstated one time at the termination date of the policy. The reinstated limits of liability will be equal to those afforded under the current policy.
- c. The premium for the entity's Extended Reporting Period Endorsement is the percentage of the Extended Reporting Endorsement premium charged for the health care professionals who are part of the group. The percentage applied and the applicable minimum premium requirements are based on the physicians' and surgeons' rating plans in effect at the time of the policy inception.

3. Health Care Extenders with Separate Limits

- a. Extended Reporting Period Endorsement premiums must be paid promptly when due.
- b. The health care extender is provided his/her own set of limits that are reinstated one time at the termination date of the policy. The reinstated limits of liability will be equal to those afforded under the policy.

**F. Group Size Discount**

Physicians who are members of groups are eligible for a group size discount. This discount is based solely on the size of the group. The group size discount eligibility is evaluated annually at policy renewal. Changes made to the group size during the policy period will not be reflected until the next policy renewal.

<u>Group Size</u>	<u>Percentage of Discount</u>
5-9	7.5%
10-19	15%
20-34	20%
35 or more	25%

Group size is determined by the number of physician members who have separate limits of liability.

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### **G. Health Care Extender Part-Time Practice Discount**

A part-time discount is available to health care extenders who practice less than full time on behalf of the Named Insured. The discount is based on the number of hours the health care extender works per month divided by the full time equivalent of 180 hours per month, subject to a minimum discount of 25% and a maximum discount of 75%. However, the maximum part-time discount available for a Nurse Midwife or other health care extender providing significant Obstetrics support is 50%.

### **H. Individual Rating of Sizable Risks**

Any risk developing an annualized manual premium of at least \$100,000 for basic limits may be individually rated.

### **I. New Doctor Discount**

A new doctor discount is available to a physician who enters practice for the first time, immediately upon completion of their formal internship or residency, or military service. A physician is also eligible to receive the discount upon completion of formal training for a different (new) medical specialty. The discount applies to the first 36 months starting from the first date of practice.

The following discounts are applied to the actual number of new doctor exposure days in the current policy period:

- 75% – First 12 months
- 50% – 12 months to 24 months
- 25% – 24 months to 36 months

A physician is not eligible for both the new doctor discount and the part-time practice discount simultaneously.

### **J. Physician Part-Time Practice Discount**

A physician with separate limits who satisfies all of the following conditions is eligible for the 50% physician part-time practice discount:

- practices an average of 20 hours or less per week;
- has 40 or fewer hospital admissions per year;
- is not practicing obstetrics; and
- is not receiving the new doctor discount.

### **K. Prior Acts Coverage**

Prior acts coverage is available for qualified applicants who possess a claims-made policy by another carrier, subject to underwriting approval. It provides coverage for claims resulting from medical incidents or occurrences that took place on or after the retroactive date but before the first date of coverage with NORCAL and are first reported during the policy period. Premiums will be calculated as if the retroactive date was the first date of coverage with NORCAL and will include adjustments for exposure changes in class, specialty and territory that occurred during the exposure period.

**L. Rates**

Rates are based on the specialty classifications as shown under Section IV. State Exception Pages of this manual.

**M. Residents, Interns or Fellows**

If in a formal residency training program, each resident, intern or fellow is considered one half of a full time physician and is charged 50% of the premium otherwise applicable based on the specialty within which his/her residency training occurs.

A resident, intern or fellow is not eligible for the new doctor or part-time practice discount.

**N. Schedule Rating Plan**

Schedule rating is a plan that allows NORCAL to modify a rate to reflect certain risk characteristics that are not reflected in manual rating.

The schedule rating permits the application of a range of debits and credits based upon risk characteristics as follows:

<b>SCHEDULE RATING PLAN</b>	
<b>Risk Characteristics</b>	<b>Credits/Debits Available</b>
Adequacy of staffing selection and supervision, and experience of staff personnel	+/- 40%
Quality Assurance Procedures Credentialing and Re-Credentialing Peer Review Procedures Participation in Risk Management Programs	+/- 40%
Loss History	+/- 40%
Practice Profile	+/- 40%
<b>Total Available Credits/Debits</b>	<b>+/- 40%</b>

**O. Suspension of Coverage – Leave of Absence**

A physician or health care extender who is not practicing medicine for reasons including, but not limited to, disability, sabbatical or leave of absence is eligible for restrictive coverage at a reduced rate. There will be no coverage for those medical incidents or occurrences that took place on or after the effective date of the suspension period. During the period of suspension, the physician or health care extender is entitled to report medical incidents or occurrences that took place during the active period of his/her policy.

The restricted coverage and reduced rate is applied retroactively to the first day of the suspension of coverage. This benefit is only available for a minimum period of 60 consecutive days and a maximum period of 12 consecutive months.

This benefit does not apply to physicians or health care extenders endorsed onto the policy with shared limits of liability.

**P. Suspension of Coverage – Military Leave**

A physician or health care extender who is called to active duty and closes his/her practice during the military leave period is eligible for a waiver of both the active and residual premium. There will be no coverage for those medical incidents or occurrences that took place on or after the effective date of the military leave period. During the military leave period, the physician or health care extender is entitled to report medical incidents or occurrences that took place during the active period of his/her policy.

**Q. Voluntary Deductible Discount**

Voluntary deductibles are available in both aggregated and non-aggregated forms. The deductible credit is dependent on the total limits, deductible size, and aggregate deductible limit.

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SPRINGFIELD, ILLINOIS

## Part IV: State Exception Pages

### Illinois –

#### Part II. General

##### F. Limits of Liability

The General Underwriting Rule F is amended to include the following:

Policies may be written at the basic limits of \$1 million/\$3 million.

##### G. Premium Payments

The General Underwriting Rule G is replaced with the following:

NORCAL offers the insured an installment premium payment option. The installment plan requires a minimum of 25% of the total premium to be paid on or before the inception/renewal date of the policy. The balance of the premium will be payable in periodic installments equal to 25% of the balance of the premium commensurate with calendar quarters.

Additional premium resulting from changes to the policy during the policy period will be spread over any remaining installments. If there are no remaining installments, then any additional premium will be billed immediately as a separate transaction.

Insureds also have the option of paying the policy premium in full at any time without incurring additional fees.

#### Part III. Rating Rules

##### A. Calculation of Premium

The General Underwriting Rule A is replaced with the following:

###### 1. Claims – Made Premium Calculation

- a. Calculations for changes in exposure are performed by taking the difference between claims-made rates for each period of differing exposures. These calculations are appropriate for changes such as to rating class or territory that impact the calculated rate. Current approved rates and rules are used.
- b. Applicable discount or surcharge factors are applied.
- c. Premium calculations are subject to the Company's policy writing minimum premium of \$1,000.

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**2. Claims – Made Factors**

<u>Year</u>	<u>Factor</u>
Current	0.250
1 <sup>st</sup> Prior	0.500
2 <sup>nd</sup> Prior	0.800
3 <sup>rd</sup> Prior	0.920
4 <sup>th</sup> Prior	1.000

**3. Reporting Endorsement Premium Calculation**

Reporting Endorsement Premium calculations are in accordance with the rates and rules in effect at the time of the Reporting Endorsement is issued as follows:

- a. An unlimited reporting endorsement commencing with the termination date of the policy at an additional premium charge will be offered.
- b. The reporting endorsement premium will be calculated at 200% of the expiring annual premium.
- c. All discounts and debits applied to the policy at termination will be included in the reporting endorsement calculations. Part-time discounts that have not been applied on a continuous basis from policy inception and have been in effect 36 months or less at the time of termination will be excluded in the reporting endorsement premium calculation.

**C. Classification**

The General Underwriting Rule C is amended to include the following:

1. **Definitions.** For classification assignment purposes, the following definitions apply:

Major Surgery. The term "major surgery" applies to family or general practitioners and other specialists who perform major surgical procedures, T & A's, Cesarean sections, abortions, heart catheterizations, obstetrical deliveries, vasectomies on other than the physician's own patients and other procedures determined by the Company shall be considered major surgery.

Minor Surgery. The term "minor surgery" applies to family or general practitioners and other specialists who perform minor surgery or who perform extra-hazardous medical techniques as determined by the Company.

No Surgery. The term "no surgery" applies to family or general practitioners and other specialists who do not perform obstetrical procedures or surgery (other than incision of boils and superficial abscesses or suturing of skin and superficial fascia), who do not assist other physicians during the performance of surgical procedures and who do not perform any of the procedures determined to be extra-hazardous by the Company.

**2. Medical Specialty Codes/Classification**

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**Physicians and Surgeons**

<b>Specialty Description</b>	<b>Class</b>
Administrative Medicine / Aerospace Medicine	1
Allergy/Immunology	1
Anesthesiology	4
Anesthesiology (Interventional Pain Management)	7
Cardiac Surgery	13
Cardiology (Interventional)	6
Cardiology (Invasive)	6
Cardiology (Non-Invasive)	3
Colon and Rectal Surgery	9
Critical Care Medicine	6
Dermatology (Major Surgery)	9
Dermatology (Minor Surgery)	4
Dermatology (No Surgery)	2
Dermatopathology	4
Emergency Medicine	9
Endocrinology (Minor Surgery)	5
Endocrinology (No Surgery)	5
Endocrinology (Reproductive)	12
Family Medicine (Including Obstetrics and C-sections)	9
Family Medicine (Including Obstetrics/No C-sections)	9
Family Medicine (Major Surgery)	8
Family Medicine (Minor Surgery)	5
Family Medicine (No Surgery)	3
Gastroenterology (Invasive)	5
Gastroenterology (Non-Invasive)	5
General Medicine (Minor Surgery)	5
General Medicine (No Surgery)	3
General Practice (Including Obstetrics and C-sections)	9
General Practice (Including Obstetrics/No C-sections)	9
General Practice (Major Surgery)	8
General Practice (Minor Surgery)	5
General Practice (No Surgery)	3
General Preventive Medicine	2
General Surgery	11
General Surgery (Including Bariatric Surgery)	15
Gynecology (Major / Including Cosmetic Surgery)	10
Gynecology (Major Surgery)	10
Gynecology (Minor Surgery)	5
Gynecology (No Surgery)	4
Hand Surgery	9
Hematology (Minor Surgery)	5
Hematology (No Surgery)	5
Hospitalist	3
Hyperbaric Medicine	3
Infectious Diseases	6
Infertility Specialist	16

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Internal Medicine (Invasive)	6
Internal Medicine (Non-Invasive)	3
Maternal Fetal Medicine	16
Medical Genetics (Non-Invasive)	2
Medical Oncology (Minor Surgery)	4
Medical Oncology (No Surgery)	3
Neonatology	6
Nephrology (Invasive)	6
Nephrology (Non-Invasive)	5
Neurology (Interventional)	6
Neurology (Non-Interventional)	6
Neuromusculoskeletal Medicine/Osteopathic Manipulative Medicine	1
Neurosurgery	17
Nuclear Medicine	2
Obstetrics and Gynecology	15
Occupational Medicine	2
Ophthalmology (Major Surgery)	4
Ophthalmology (Minor Surgery)	3
Ophthalmology (No Surgery)	2
Oral and Maxillofacial Surgery	5
Orthopedic Surgery (Including Spinal Surgery)	12
Orthopedic Surgery (No Spinal Surgery)	11
Otolaryngology (Including Cosmetic Surgery)	9
Otolaryngology (No Cosmetic Surgery)	6
Pain Management (Interventional)	9
Pathology (Minor Surgery)	4
Pathology (No Surgery)	3
Pediatrics (Developmental-Behavioral)	3
Pediatrics (Minor Surgery)	4
Pediatrics (No Surgery)	3
Perinatology	16
Physical Medicine and Rehabilitation (Interventional)	5
Physical Medicine and Rehabilitation (Non-Interventional)	1
Plastic Surgery	11
Psychiatry (Including Electroconvulsive Therapy)	4
Psychiatry (No Electroconvulsive Therapy)	3
Pulmonary Disease	6
Radiology (Diagnostic/Interventional)	6
Radiology (General Diagnostic)	6
Radiology (Therapeutic)	6
Rheumatology	3
Sleep Medicine	3
Surgical Assistant	2
Surgical Specialist (Minor Surgery)	5
Surgical Specialist (No Surgery)	3
Thoracic Surgery	12
Urgent Care	4
Urogynecology and Reconstructive Pelvic Surgery	12

Urology	7
Vascular Surgery	12

3. Territory Definitions:

- Territory 1: Cook, Jackson, Madison, Saint Clair, Will
- Territory 2: Vermillion
- Territory 3: Kane, Lake, McHenry, Winnebago
- Territory 4: Kankakee
- Territory 5: Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, Randolph
- Territory 6: Grundy
- Territory 7: Adams, Knox, Peoria
- Territory 8: Sangamon
- Territory 9: Rock Island
- Territory 10: Remainder of State

**E. Extended Reported Period Coverage**

The second paragraph in the General Rules Part III; Rating Rules E. Extended Reporting Period Coverage is deleted.

Section 1.f. under the General Rules Part III: Rating Rules, E. Extended Reporting Period Coverage is deleted.

**F. Group Size Discount**

The General Underwriting Rule F. Group Size Discount is deleted.

**H. Individual Rating of Sizable Risks**

The General Underwriting Rule H. Individual Rating of Sizable Risks is deleted.

**FILED**

JAN 01 2012

**L. Rates**

The General Underwriting Rule L is amended to include the following:

Rates are based on the classifications as listed under Part III.C. Classifications of these state rate pages are based on an annualized coverage period of 12 months.

**1. Physician and Surgeon Rates**

**ANNUAL \$1,000,000/\$3,000,000 CLAIMS-MADE MATURE PREMIUMS**

RATING CLASS	TERRITORY									
	1	2	3	4	5	6	7	8	9	10
001	22,872	20,585	19,441	17,154	16,010	13,723	10,292	12,580	10,292	11,436
002	27,773	24,996	23,607	20,830	19,441	16,664	12,498	15,275	12,498	13,886
003	32,674	29,407	27,773	24,506	22,872	19,604	14,703	17,971	14,703	16,337
004	39,209	35,288	33,328	29,407	27,446	23,525	17,644	21,565	17,644	19,604
005	49,011	44,110	41,659	36,758	34,308	29,407	22,055	26,956	22,055	24,506
006	58,813	52,932	49,991	44,110	41,169	35,288	26,466	32,347	26,466	29,407
007	65,348	58,813	55,546	49,011	45,744	39,209	29,407	35,942	29,407	32,674
008	73,517	66,165	62,489	55,138	51,462	44,110	33,083	40,434	33,083	36,758
009	81,685	73,517	69,432	61,264	57,180	49,011	36,758	44,927	36,758	40,843
010	98,022	88,220	83,319	73,517	68,616	58,813	44,110	53,912	44,110	49,011
011	114,359	102,923	97,205	85,770	80,052	68,616	51,462	62,898	51,462	57,180
012	130,696	117,627	111,092	98,022	91,487	78,418	58,813	71,883	58,813	65,348
013	147,033	132,330	124,978	110,275	102,923	88,220	66,165	80,868	66,165	73,517
014	155,202	139,682	131,922	116,401	108,641	93,121	69,841	85,361	69,841	77,601
015	163,371	147,033	138,865	122,528	114,359	98,022	73,517	89,854	73,517	81,685
016	196,045	176,440	166,638	147,033	137,231	117,627	88,220	107,825	88,220	98,022
017	236,887	213,199	201,354	177,665	165,821	142,132	106,599	130,288	106,599	118,444

**FILED**

JAN 01 2012

**2. Health Care Extender Rate**

**ANNUAL \$1,000,000/\$3,000,000 CLAIMS-MADE MATURE PREMIUMS**

Health Care Extender Specialty	TERRITORY									
	1	2	3	4	5	6	7	8	9	10
Certified Nurse Midwife	49,011	44,110	41,659	36,758	34,308	29,407	22,055	26,956	22,055	24,506
Certified Registered Nurse Anesthetist - Anesthesiologist Supervised	7,842	7,058	6,666	5,881	5,489	4,705	3,529	4,313	3,529	3,921
Certified Registered Nurse Anesthetist - Surgeon Supervised	11,763	10,586	9,998	8,822	8,234	7,058	5,293	6,469	5,293	5,881
Advanced Practical Nurse	6,535	5,881	5,555	4,901	4,574	3,921	2,941	3,594	2,941	3,267
Certified Nurse Practitioner	6,535	5,881	5,555	4,901	4,574	3,921	2,941	3,594	2,941	3,267
Physician Assistant	8,169	7,352	6,943	6,126	5,718	4,901	3,676	4,493	3,676	4,084
Surgeon Assistant	9,802	8,822	8,332	7,352	6,862	5,881	4,411	5,391	4,411	4,901

Shared Limits – A 25% credit is available for Health Care Extenders sharing policy limits with the entity or physician.

**3. Corporations, Partnerships and Associations Rating Rule**

Corporation, Partnership, Limited Liability and Association (entity) liability coverage may be written on a separate limits basis. The premium charge is equivalent to 10% of the premium charges for each individual physician, surgeon and health care extender insured of the entity plus 10% of the premium for each individual non-NORCAL insured physician, surgeon and health care extender insured of the entity which would be applicable if the physician, surgeon or health care extender was insured by NORCAL.

A separate corporation limit is not available for solo physicians or surgeons.

**FILED**

**N. Schedule Rating Plan**

The General Underwriting Rule N is amended to reflect a maximum credit or debit of 25% as follows:

Schedule rating is a plan that allows NORCAL to modify a rate to reflect certain risk characteristics that are not reflected in manual rating.

The schedule rating permits the application of a range of debits and credits based upon risk characteristics as follows:

<b>SCHEDULE RATING PLAN</b>	
<b>Risk Characteristics</b>	<b>Credits/Debits Available</b>
Adequacy of staffing selection and supervision, and experience of staff personnel	+/- 25%
Quality Assurance Procedures Credentialing and Re-Credentialing Peer Review Procedures Participation in Risk Management Programs	+/- 25%
Loss History	+/- 25%
Practice Profile	+/- 25%
<b>Total Available Credits/Debits</b>	<b>+/- 25%</b>

**O. Suspension of Coverage – Leave of Absence**

The General Underwriting Rule O is amended to include the following:

A premium of discount of 100% is applied during the suspension of coverage commencing with the start date of the suspension period.

**Q. Voluntary Deductible Discount**

The General Underwriting Rule Q is replaced with the following:

Deductibles are available at the option of the insured. The following table outlines the credit amounts available for various deductible amounts and types.

<b>Deductible Plan</b>			
<b>Deductible Amount</b>		<b>Indemnity Only Credit</b>	<b>Indemnity and Defense Costs Credit</b>
<b>Per Claim</b>	<b>Aggregate</b>		
<b>\$10,000</b>	<b>\$30,000</b>	<b>-2.0%</b>	<b>-5.0%</b>
<b>\$25,000</b>	<b>\$75,000</b>	<b>-5.0%</b>	<b>-11.0%</b>
<b>\$50,000</b>	<b>\$150,000</b>	<b>-8.0%</b>	<b>-17.0%</b>

**FILED**

JAN 0 1 2012

The deductible credits are applicable to the \$1 million/\$3 million primary limits premium, net of all other applicable credits.

Additional deductible amounts may be available at the insured's request and the applicable credit will be determined using direct mathematical interpolation.

**FILED**

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**FILED**

JAN 0 1 2012

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